Bookkeeping clean-up checklist

Work the groups in order. Send the whole collection group to the client on day one, and keep the statement grid next to this list until every cell reads reconciled.

Client or engagement

Scope

- [ ] Find the last month whose reconciliations still tie
  Its ending balances become the clean-up starting point.
- [ ] List every account used in the period
  Bank, card, loan and merchant accounts, closed ones included.
- [ ] List filings that wait on the clean-up
  Unfiled income tax, payroll returns, Forms 1099.
- [ ] Agree the end date and fee in writing

Collect from the client

- [ ] Bank statements for every account and month in scope
  PDF from the bank, not a spreadsheet export.
- [ ] Credit card statements for every card and month
- [ ] Loan or mortgage statements for the period
  Showing principal, interest and ending balance.
- [ ] Form 1098 for each year in scope, if the lender issues one
  Sole proprietors only; corporations and partnerships use the lender's year-end statement.
- [ ] Merchant processor reports
  Gross sales, fees, refunds and payouts by month.
- [ ] Payroll registers and pay stubs
  Every pay date in the period, from the provider.
- [ ] Last tax returns filed
  To compare opening balances.
- [ ] Form W-9 for each vendor paid for services
- [ ] Vendor invoices for large or unclear payments

Fix the ledger

- [ ] Delete duplicate transactions after matching to the statement
- [ ] Code uncategorized lines; send the unknowns list to the client
- [ ] Clear undeposited funds against real deposits

- [ ] Void stale checks with the client’s written agreement

Reconcile

- [ ] Reconcile each account month by month from the last good month
  Mark each cell of the statement grid as reconciled.
- [ ] Clean receivables and payables
  Remove paid or duplicate invoices; match bills to payments.
- [ ] Tie payroll liabilities to filed returns and deposits
- [ ] Confirm a Form 941 and deposits exist for every quarter in scope
  EFTPS payment history or an IRS account transcript.
- [ ] List late Forms 1099 by payment year
  $600 floor for 2025 and earlier payments; $2,000 after 2025.
- [ ] Compare opening balances to the last tax return
  Document any difference in a note.

Sign off

- [ ] Write the sign-off memo
  Period, accounts, adjustments and any month lacking a statement.
- [ ] Get the client’s signature on the memo
- [ ] Set the closing date at the clean-up end date
- [ ] Start a monthly document request for the next period